



FEMA Increased Cost of Compliance Coverage

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Navigation

This page is about Increased Cost of Compliance Coverage.

Search

The purpose of this page is to define Increased Cost of Compliance Coverage, a commonly used term in floodplain management. To explore other common floodplain management terms access the [NFIP Policy Index \(/national-flood-insurance-program-policy-index\)](/national-flood-insurance-program-policy-index).

Languages

Protecting Our Communities (/protecting-our-communities)

Local Official Survey Findings on Flood Risk (/local-official-survey-findings-flood-risk)

▼ Floodplain Management (/floodplain-management)

▼ National Flood Insurance Program Policy Index (/national-flood-insurance-program-policy-index)

Accessory Structures (/accessory-structures)

If your home or business is damaged by a flood, you may be required to meet certain building requirements in your community to reduce future flood damage before you repair or rebuild. To help you cover the costs of meeting those requirements, the National Flood Insurance Program (NFIP) includes Increased Cost of Compliance (ICC) coverage for all new and renewed Standard Flood Insurance Policies.

▼ Collapse All Sections

▼ How Much Coverage Is Available

Flood insurance policyholders in high-risk areas, also known as special flood hazard areas, can get up to \$30,000 to help pay the costs to bring their home or business into compliance with their community's floodplain ordinance.

Agricultural
Structure
(/agricultural-
structure)

✓ Four Options Covered

Alluvial
Fan
Flooding
(/alluvial-
fan-
flooding)

There are four options you can take to comply with your community's floodplain management ordinance and help you reduce future flood damage. You may decide which of these options is best for you.

Alteration
of a
Watercourse
(/alteration-
watercourse)

1. **Elevation.** This raises your home or business to or above the flood elevation level adopted by your community.

Anchoring
(/anchoring)

2. **Relocation.** This moves your home or business out of harm's way.

Appurtenant
Structure
(/appurtenant-
structure)

3. **Demolition.** This tears down and removes flood-damaged buildings.

Available
Data
(/available-
data)

4. **Floodproofing.** This option is available primarily for non-residential buildings. It involves making a building watertight through a combination of adjustments or additions of features to the building that reduces the potential for flood damage.

Base
Flood
(/base-
flood)

Base
Flood
Elevation
(/base-
flood-
elevation)

✓ When To File An Increased Cost Of Compliance (ICC) Claim

Basement
(/basement)

You may file a claim for your Increased Cost of Compliance coverage (ICC) in two instances:

Biennial
Report
(/biennial-
report)

1. If your community determines that your home or business is damaged by flood to the point that repairs will cost 50 percent or more of the building's pre-damage market value. This is called substantial damage.

Breakaway
Wall
(/breakaway-
wall)

Certifications
(/certifications)

Channelization
(/channelization)

› Coastal
Barrier
Resources
System
(/coastal-
barrier-
resources-
system)

Coastal
High
Hazard
Area
(/coastal-
high-
hazard-
area)

Community
(/community)

Community
Assistance
Visit
(/community-
assistance-
visit)

Community
Compliance
Program
(/community-
compliance-
program)

Community
Rating
System
(/community-
rating-
system)

Compensatory
Storage
(/compensatory-
storage)

Conditional
Letter of

2. If your community has a repetitive loss provision in its floodplain management ordinance and determines that your home or business was damaged by a flood two times in the past 10 years, where the cost of repairing the flood damage, on the average, equaled or exceeded 25 percent of its market value at the time of each flood. This is called repetitive damage. Additionally, there must have been flood insurance claim payments for each of the two flood losses.

✓ How To File An ICC Claim

Your ICC claim is adjusted separately from the flood damage claim you file under your Standard Flood Insurance Policy. You can only file an ICC claim if your community determines that your home or business has been substantially damaged or repetitively damaged by a flood. This determination is made when you apply for a building permit to begin repairing your home or business.

If your community does determine that your home or business is substantially or repetitively damaged, a local official will explain the floodplain management ordinance provisions that you will have to meet. You may also want to consult with the local official before you make the final decision about which of the options to pursue.

Once your community has made this determination, contact the insurance company or agent who wrote your flood policy to file an ICC claim. Your insurer will assign a claims representative who will help you process your ICC

Map
Revision
(/conditional-
letter-
map-
revision)

claim. You should start getting estimates from contractors to take the necessary steps to elevate, relocate, floodproof, or demolish.

Crawlspace
(/crawlspac)

✓ How Your ICC Claim Payment Is Handled

Critical
Facility
(/critical-
facility)

You may be able to receive a partial payment once the claims representative has a copy of the signed contract for the work, a permit from the community to do the work, and a return of your signed ICC Proof of Loss. If the work is not completed, you must return any partial payment to your insurer.

Development
(/development)

Electrical
Systems
(/electrical-
systems)

Elevation
Certificate
(/elevation-
certificate)

Elevators
(/elevators)

Emergency
Program
(/emergency-
program)

Enclosure
(/enclosure)

Encroachments
(/encroachments)

Erosion
(/erosion)

Executive
Order
11988
(/executive-
order-
11988)

Existing
Construction

When the work is completed, local officials will inspect and issue a certificate of occupancy or a confirmation letter. Once you submit this document to your claims representative, your insurer will pay the final installment or full payment.

ICC claims will only be paid on flood-damaged homes and businesses, and can only be used to pay for costs of meeting the floodplain management ordinance in your community.

For more information on ICC coverage, call your insurance company or agent, or call the NFIP toll-free at 1-800-427-4661. TDD# 1-800-427-5593.

F-300 (09/04).

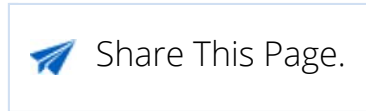
(/existing-construction)

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Fill (/fill)

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Flood Hazards of Special Concern (/flood-hazards-special-concern)



Flood Insurance Rate Map (FIRM) (/flood-insurance-rate-map-firm)

Flood Insurance Study (/flood-insurance-study)

Flood Zones (/flood-zones)

Flood or Flooding (/flood-or-flooding)

Flood-Related Erosion (/flood-related-erosion)

Flood-Resistant Material (/flood-resistant-material)

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